

Message Text

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PAGE 01 OTTAWA 01859 121954Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DOEE-00 CIAE-00 DODE-00
NSAE-00 NSCE-00 SSO-00 ICAE-00 INRE-00 SOE-02
AID-05 CEA-01 COME-00 DOE-15 H-02 INR-10 INT-05
L-03 OMB-01 PM-05 OES-07 SP-02 SS-15 STR-07
TRSE-00 ACDA-12 /113 W
-----105908 121956Z /41

O 121943Z APR 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC IMMEDIATE 7008
INFO AMCONSUL CALGARY
AMCONSUL HALIFAX
AMCONSUL MONTREAL
AMCONSUL QUEBEC
AMCONSUL TORONTO
AMCONSUL VANCOUVER
AMCONSUL WINNIPEG

UNCLAS OTTAWA 01859

DEPARTMENT FOR EUR/CAN; EB AND L/EB

PASS DOE FOR LES GOLDMAN AND ASST. SECRETARY BERGOLD;
DOE/FERC FOR COMMISSIONER SMITH AND JOHN ADGER

E.O. 11652: NA
TAGS: ENRG, CA
SUBJECT: NORTHERN GAS PIPELINE BILL (C-25) PASSES SENATE

REF: OTTAWA 1749

1. BILL READ THIRD TIME AND PASSED BY SENATE AFTERNOON
APRIL 11. NORTHERN PIPELINE COMMISSION EXPECTS GOVERNOR
GENERAL TO SIGN BILL INTO LAW BY END OF WEEK AT LATEST.
2. COMMENT: WITH ONLY FORMALITY OF ROYAL ASSENT REMAIN-
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ING BEFORE BILL BECOMES LAW, MEDIA COVERAGE OF PIPELINE
HAS SHIFTED AT LEAST FOR TIME BEING AWAY FROM CANADIAN
DECISION PROCESS AND DOMESTIC POLITICAL ISSUES--CANADIAN
CONTENT AND NATIVE RIGHTS--TO DECISIONS WHICH MUST BE MADE
IN U.S. BEFORE CONSTRUCTION CAN BEGIN.

3. CHIEF CANADIAN CONCERNS NOW REFLECTED IN PRESS ARE POS-

SIBILITY OF DELAY BECAUSE CONGRESS HAS NOT PASSED ENERGY BILL AND IMPACT ON PROJECT FINANCING OF RESULTANT UNCERTAINTY ABOUT FUTURE GAS MARKET IN U.S. "GLOBE AND MAIL" EDITORIAL APRIL 7 ENTITLED "DON'T COUNT ON IT", CITES HOUSTON NATURAL GAS CORP. PRESIDENT ROBERT HERRING'S RECENT COMMENTS IN CALGARY THAT PROJECT IS PREMATURE AND PROBABLY WILL NOT BE COMMERCIALY VIABLE AT PRESENT 1983 COMPLETION DATE. EDITORIAL QUESTIONS WHETHER, IN LIGHT OF LIKELY INCREASED SHORT-TERM SUPPLY OF CHEAPER GAS IN LOWER 48, FIVE-TO-SIX DOLLAR ALASKAN GAS CAN BE MARKETING. (NOTE: CANADIAN GAS PRODUCERS HAVE PRIVATELY EXPRESSED THIS CONCERN FOR SOMETIME. HERRING'S REMARKS MERELY PUBLICIZE IT.) CANADA THEREFORE SHOULD NOT COUNT ON PROJECT TO HELP AILING CANADIAN ECONOMY. JEFF CARRUTHERS, WRITING IN "GLOBE & MAIL" TODAY (APRIL 12), COMMENTS THAT BECAUSE PROSPECTS FOR CONGRESS PASSING ENERGY BILL ARE POOR, SIX-MONTH DELAY IS LIKELY AND FOOTHILLS (YUKON) LTD. IS NOW TRYING TO ESTIMATE HOW THIS EXPECTED DELAY WILL INCREASE PROJECT CAPITAL COSTS. HE REPORTS THAT FOOTHILLS IS BALKING AT ANY SIGNIFICANT ADDITIONAL SPENDING UNTIL FUTURE OF PIPELINE IS ASSURED BY PASSAGE OF ENERGY BILL.

4. CLEAR MEDIA MESSAGE HERE IS THAT CANADA HAS PRETTY MUCH GOT ITS ACT TOGETHER ON PIPELINE PROJECT AND IT IS NOW UP TO USG TO DO SAME.

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5. PRESS CLIPPINGS FOLLOW BY POUCH. ENDERS

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PIPELINES, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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